GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:197
ANSWERED ON:01.03.2005
CONVERSION OF LEASE HOLD RIGHTS INTO FREE HOLD
Bansal Shri Pawan Kumar

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) the number of applications made so far for conversion of lease hold rights into free hold rights in Chandigarh;

(b) the number of cases actually cleared and conversion effected therein;

(c) whether the U.T. Administration has promulgated an order fixing the minimum conversion charges/fee to be equivalent to five times the annual ground rent;

(d) if so, the reasons therefor;

(e) whether the holders of General Power of Attorney still continue to be deprived of the right to convert leasehold tenure into freehold;

(f) if so, whether these charges are violative of the conversion scheme; and

(g) if so, the reasons for reintroducing lease-hold system for commercial property?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS AND URBAN DEVELOPMENT (SHRI GHULAM NABI AZAD)

(a)&(b): The Chandigarh Administration has reported that 4393 applications were received for conversion of lease hold rights into free hold rights out of which, 4313 cases have been cleared and conversion effected.

(c)&(d): The conversion fee has been worked out @ Rs.1710/- per Sq mtr, or 4.5 times of the annual lease money, whichever is more.

(e)&(f): No, Sir. The general power of attorney holder can also apply for conversion of lease hold residential sites into freehold.

(g): The Chandigarh Administration has reported that the Union Territory has no consolidated funds of its own and revenue from sale of land is needed for financing current expenditure. This is unsustainable in the long run as the supply of land will soon be exhausted. Hence there is need for perennial source of revenue to maintain the quality of civic services and Administration has decided to sell commercial property and land to institutions only on lease hold basis.